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SUBJECT: UKRAINE: PREVIEW OF SEPTEMBER 14 SUMMIT WITH EU

REF: A. KYIV 2246

[1](#)B. LISBON 1418

[1](#)C. KYIV 853

[1](#)D. KYIV 646

Classified By: Political Counselor Kent Logsdon for reasons 1.4(b,d)

[1](#)1. (C) Summary: An EU delegation of Portuguese Prime Minister Socrates, EU Council Secretary General Solana, European Commission President Barroso, and Commissioner Ferrero-Waldner will participate in the EU-Ukraine summit September 14 in Kyiv. In their private meetings, the EU delegation will stress the importance of free-and-fair parliamentary elections on September 30. Publicly, both sides will issue a joint declaration that will provide a progress report on negotiations toward an EU-Ukraine "New Enhanced Agreement." While the public statement will no doubt put a rosy spin on the progress attained, the Portuguese Embassy privately detailed a number of thorny problems. The centerpiece of the agreement should be an EU visa facilitation agreement, but it has to be enacted simultaneously with a readmission agreement (guaranteeing that Ukraine will accept deported individuals who entered the EU from Ukraine). Without a functioning parliament, the agreements were unlikely to meet the target for implementation by year's end. Furthermore, the EU was concerned that, due to a lack of progress in negotiations with Kyrgyzstan, Ukraine would not enter the World Trade Organization by year's end or early 2008, an event that was a precondition for beginning formal negotiations on an EU-Ukraine Free Trade Agreement.

[1](#)2. (C) Comment: The EU-Ukraine summit will be at least the sixth summit that the Portuguese EU presidency will hold. The Portuguese, however, who are putting their focus on South America and Africa where they have a past colonial relationships, do not have the same grasp of Ukraine's geopolitical importance that the previous German and Finnish EU presidencies possessed. With the small Portuguese Embassy here hard-pressed to meet its presidency responsibilities, the rather pro-forma summit will provide no surprises nor much progress in the EU-Ukraine relationship. Regarding the timing of Ukraine's WTO accession, we believe that the Portuguese assessment is overly pessimistic and that Ukraine could very well enter the WTO by year's end or early 2008. End summary/comment.

The Delegation

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[1](#)3. (U) Portuguese Embassy Counselor Licinio Bingre do Amaral previewed the September 14 EU-Ukraine summit for us during a September 7 meeting. As reported in the media, the EU delegation would comprise Portuguese Prime Minister Jose Socrates (since Portugal is current EU President), EU Council Secretary General Javier Solana, European Commission

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President Jose Manuel Barroso, and Commissioner for External Relations and Neighborhood Policy Benita Ferrero-Waldner. Bingre do Amaral noted that Portuguese Foreign Minister Luis Amado would accompany the delegation, but European Commissioner for Trade Peter Mandelson was unable to attend.

An Important Message

14. (C) Bingre do Amaral said the main topic of the summit would be political developments in Ukraine, with the EU delegation, in all their meetings, hammering home the importance of free and fair elections. (Note: The EU-Ukraine summit is timely, since it occurs just two weeks before the September 30 parliamentary elections.) Bingre do Amaral said EU officials had some concerns that a new requirement to have the Ukrainian State Border Guards Service to report departures of Ukrainians abroad could disproportionately reduce voter rolls in western Ukraine (since Ukrainians, generally from eastern Ukraine, traveling to Russia do not need visas), where President Yushchenko's and the Our Ukraine/Self Defense bloc's support is strongest. EU officials were also concerned about relaxed rules for mobile ballot box voting.

A Quick Trip

15. (U) Bingre do Amaral said the primary events on the summit agenda would be the summit meeting, a press conference, and an official lunch. In addition, Portuguese PM Socrates and Barroso would meet with Prime Minister Yanukovych, and Portuguese FM Amado would have a bilateral with Ukrainian FM Yatsenyuk September 13, but the Ukrainians had thus far not

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requested a separate bilateral for President Yushchenko. Bingre do Amaral noted there was no time for meetings with other politicians, such as opposition leader Yuliya Tymoshenko, in the schedule (although Solana would meet with her). Barroso was likely to attend an opening session of Ukrainian oligarch Viktor Pinchuk's Yalta European Strategy (YES) Summer Institute (note: to be held September 13-16 at the Hotel Rus in Kyiv). Altogether, Socrates would be in Ukraine a total of 18 hours and Barroso not more than 20. Bingre do Amaral commented that Socrates had to leave promptly from Kyiv in order to make a September 17 meeting with the U.S. President.

Summit Agenda

16. (C) In addition to the EU-Ukraine Free Trade Agreement (further details below), the EU would raise Ukraine's actions during the summit against the International Air Transport Association (IATA) under the Economic and Trade topic. (Note: The Ministry of Economy has threatened to suspend IATA's activities in Ukraine over what authorities allege is IATA's failure to bring the paper tickets its member airlines use in line with Ukrainian law. Industry reps suspect that, in reality, the GOU is acting on behalf of Ukrainian business groups that want a piece of the significant cash flow generated by IATA's ticketing activities in Ukraine. Minister of Economy Anatoly Kinakh suspended the order until October 5 after a face-to-face meeting with the Ambassador. In the meantime, IATA is trying to comply with the GOU's expectations. End note.)

17. (C) Bingre do Amaral said, regarding freedom of movement, the EU would press Ukraine to take the steps necessary to bring the EU-Ukraine visa facilitation agreement into effect, including the extension of a visa-free regime for the EU's two newest members -- Romania and Bulgaria. He commented that Ukraine had recently begun moving in the opposite

direction, speaking of increasing visa fees for Romanians and Bulgarians. Ukrainian FM Yatsenyuk's recent scrutiny of EU member states' visa issuance procedures and treatment of Ukrainian visa applicants had also irritated EU countries, complicating the ratification procedure necessary for the visa facilitation agreement.

¶8. (C) The summit would also seek to advance an EU-Ukraine agreement on energy security cooperation, signed at the 2006 EU-Ukraine summit in Helsinki. Either Economy Minister Anatoly Kinakh or Ukrainian Ambassador to Belgium would sign a Memorandum of Understanding to implement the agreement in Brussels the week of September 10. Bingre do Amaral highlighted the MOU's importance, noting particular EU concern over the state of Ukraine's natural gas pipelines, which were urgently in need of overhaul and upgrading in order to maintain the pressure (and volumes) of natural gas transiting to Western Europe. The summit agenda would be rounded out with exchanges of views on nuclear safety and the environment; Russia; Moldova and Transnistria; the GUAM regional organization (named for its Georgia, Ukraine, Azerbaijan, and Moldova members); and Belarus. Bingre do Amaral commented that Ukraine had attempted to have Kosovo included on the agenda, but finally dropped this request.

¶9. (C) When asked, Bingre do Amaral admitted the Portuguese Presidency's focus was on Africa and South America. It had no particular goals for the EU relationship with Ukraine, nor was it seeking a particular achievement. Earlier, he also noted that Portugal was putting an emphasis on disarmament and non-proliferation of weapons of mass destruction during its presidency, which fit well with Ukraine's involvement in the G-8 Global Partnership and its importance on these issues. The EU would press for an explanation of Ukraine's lack of support to an EC-funded landmine destruction project, which was ultimately canceled (ref A).

#### Joint Declaration

¶10. (C) Lisbon was preparing its comments on a text of the summit joint declaration, Bingre do Amaral noted, which should then be finalized by September 10. The joint declaration would incorporate a progress report on EU-Ukraine negotiations to establish a "New Enhanced Agreement." On that score, Bingre do Amaral said the Ukrainians continued to insist strongly that the New Enhanced Agreement include a reference to the possibility of Ukraine's eventual EU membership, a demand that the EU found impossible to accept (refs C and D).

#### New Enhanced Agreement

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¶11. (SBU) Bingre do Amaral fretted that the New Enhanced Agreement was encountering a number of problems. A key feature, the EU-Ukraine Free Trade Agreement, could not be formally negotiated until Ukraine entered the World Trade Organization (WTO), an outcome that was threatened by Ukraine's continuing lack of agreement on a market access agreement with Kyrgyzstan, without any real progress in sight.

¶12. (C) Prospects for the EU-Ukraine Visa Facilitation Agreement were also murky. Bingre do Amaral explained that the EU required the Visa Facilitation Agreement to be implemented simultaneously with an EU-Ukraine Readmission Agreement. Some Verkhovna Rada (parliament) deputies, however, were fiercely opposed to the Readmission Agreement's ratification; moreover, scheduling of early parliamentary elections on September 30 implied that there might not be a functioning Rada in time to meet the target to implement the Visa Facilitation Agreement by the end of 2007. In addition, Ukraine was dragging its feet on the selection of new detention centers that were to be built with European

Commission funding. Bingre do Amaral speculated that, since the funding would be transferred as budgetary support to the Ministry of Interior, Ministry of Interior officials might be looking for the location that would allow them to rake off as much funding as possible.

¶13. (U) Visit Embassy Kyiv's classified website:  
[www.state.sgov.gov/p/eur/kiev](http://www.state.sgov.gov/p/eur/kiev).  
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